THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) A case of Central excise duty evasion has been detected against M/s Shree Chandra Tobacco Ltd., a franchise unit of M/s G.T.C. during the search operation in February, 1996. Based on investigations, a Show Cause Notice demanding duty of Rs. 18.76 crores has been issued. In addition, cases of evasion have been detected against M/s. G.T.C. and their franchise units during 1995. Show Cause Notices demanding Central Excise duty of Rs. 364.86 crores were issued to these units. In all, one Assistant Commissioner, 19 Superintendents and 25 Inspectors of Central Excise have been placed under suspension.

(d) Taking into account the evasion prone nature, cigarettes are still under Physical Control System. The cigarette manufacturing units are under constant watch by the anti-evasion machinery of the department to prevent evasion. Besides, provisions have also been made in Budget 1996 for mandatory penality and charging of interest in such cases.

Limits for priority sector lending by Banks

735. SHRI K. RAHMAN KHAN: Will the Minister of FINANCE be pleased to state:

(a) priority sector lending by banks and the limits fixed in each category of lending by different category of banks;

(b) when were these limits fixed by RBI and whether the limits have been revised over the years;

(c) in view of increase in prices the limits are very low and whether RBI will revise the limits of priority sector, if not, the reasons therefor; and

(d) whether Government would consider increasing the limit for priority sector lending in the case of housing to at least Rs. ten lakhs instead of two lakhs now which is too low in view of the high cost of housing?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) The target fixed for lending to priority sector by commercial banks are as given below:

(i) Public and Private Sector Banks

Total priority Sector advances —	40 per cent of net bank credit
Total Agricultural Advances —	18 per cent of net bank credit
Advances to Weaker Sections —	10 per cent of net bank credit

(ii) Foreign Banks Operating in India

Total Priority Sector Advances	32 per cent of net bank credit
Advances to Small Scale Industries	10 per cent of net bank credit
Export Credit	12 per cent of net bank credit

(b) and (c) The target for priority sector advances has been enhanced in October, 1980 to 40 per cent from $33V_3$ per cent of net bank credit and this had to be achieved by commercial banks by March, 1985. Since then, there is no change in the set target for commercial banks under priority sector advances. However, taking into account the escalation in cost of imput etc. Reserve Bank of India (RBI) have made the following revisions under different components of priority sector advances:

(i) The definition of small scale Industries has been revised from time to time and at present includes units whose original cost of investments in plant and machinery does not exceed Rs. 60 lakhs (Rs. 75 lakhs for ancilliary and export oriented units).

(ii) Limit for advances to private retail traders (other than those dealing in essential commodities) (fair price shops and consumer co-operative stores) under the priority sector was enhanced from Rs. 25,000/- to Rs. 2,00,000/- in March, 1994.

(iii) The definition of 'Small Business' under priority sector has been revised in March, 1994 to include these units (Established mainly for the purpose of providing any service other than professional service) whose original cost price of equipment used for the purpose of business does not exceed Rs. 10 lakhs, with working capital limit upto Rs. 5 lakhs.

(iv) The limit for advances to professional and self-employed persons under the priority sector has been increased in may 1994 to Rs. 5 lakhs (from Rs. 2 lahs) of which not more than Rs. 1 lakh should be for working capital requirements. Moreover, in the case of professionally qualified medical practitioners setting up practice in semi-urban and rural areas, the corresponding limits are Rs. 10 lakhs and Rs. 2 lakhs respectivelly.

(d) The limit for housing finance under priority sector has been enhanced from Rs. 2 lakhs to Rs. 3 lakhs per housing unit in February, 1997, in respect of both direct and indirect finance.

Warning **to** tax evaders

736. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to state:

(a) whether Government have given a stern warning to tax-evaders in the country;

(b) if so, whether despite several benefits under the new scheme, the tax evadors are least bothered about new schemes;

(c) if so, whether Government propose to contemplate strict action against tax evaders in the country now; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (d) Direct as well as indirect taxes have been reduced and the Voluntary Disclousre of Income Scheme has been launched with a view to motivating the tax evaders to comply wiht the tax laws. However, the Government deals firmly with tax-evaders and with that in view, some tax laws have been made more stringent.

Banks under purview of RBI

737. SHRIMATI JAYAPRADA NAHATA:
SHRI SANJAY DALMIA:

Will the Minister of FINANCE be pleased to state:

(a) whether there are some private sector banks, cooperative banks and such like banks which come within the purview of control of the RBI for ensuring their proper functioning; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) All banks whether in the public sector, private sector or Indian branches of foreign bank—come within the purview of the control of the Reserve Bank of India (RBI), and the regulatory framework is provided mainly by the Banking Regulation Act, 1949 and partly by RBI Act, 1934. Reserve Bank of India also exercises powers of supervisions under these Acts by way of periodical inspections, calling for off-site returns etc. to ensure proper functioning of these banks.

Fifth Pay Commission Report

738. SHRI IQBAL SINGH:
SHRI SUSHILKUMAR SAMBHAJI RAO SHINDE:

Will the Minister of FINANCE be pleased to state:

(a) the reasons for non-implementation of the Fifth Pay Commission Report by ^ Government;